

FISCAL NOTE

SB 1512 - HB 1304

March 5, 2001

SUMMARY OF BILL:

- Authorizes the Governor, Commissioner of Finance and Administration, and the State Treasurer to designate an out-of-state financial institution as a state depository, provided the satisfactory conduct of the state's business demands use of an out-of-state institution.
- Provides that banks or savings institutions designated shall be deemed a state depository only for the specific purpose for which it was designated and shall not be recognized as a state depository for any other purpose.
- Requires a bank or saving institution located outside the state to agree to be subject to the jurisdiction of the courts of the state of Tennessee for the purpose of any litigation arising out of this chapter.
- Abolishes the Security for Public Deposits Task Force. Replaces the one representative from the task force who sits on the collateral pool board with one local government representative, with at least 2 years experience in the field of finance. The local government representative shall be appointed by the State Treasurer for a two year term, from a list of three nominees submitted by the Tennessee County Services Association, the Tennessee Municipal League, and the Tennessee County Officials Association.
- Allows the current representative to serve the remainder of their term, which expires on June 30, 2001.
- Provides that the league and associations will alternate submitting nominations to the State Treasurer.

ESTIMATED FISCAL IMPACT:

Decrease State Expenditures - Not Significant

Assumes the elimination of the Security for Deposits Task Force will result in a not significant decrease in state expenditures. Such task force is required to meet at least once every two years. The members are volunteers and are not reimbursed for travel expenses and only incidental expenses are incurred for this committee.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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